

## STAFF REPORT

To: Asheville Planning and Economic Development Committee

From: Jeff Richardson, Assistant City Manager

Via: Gary Jackson, City Manager

Date: May 18, 2010

Subject: Grove Arcade Public Market Foundation

Summary Statement: At the prior direction of the Planning and Economic Development Committee, city staff has continued to work with the Grove Arcade Public Market Foundation (GAPMF) with its yearly COP payment to the City of Asheville, exploring opportunities for financial restructuring, which will allow GAPMF more opportunity to address deferred maintenance at the Grove Arcade.

Review: The restored Grove Arcade Building includes shops, restaurants, offices and 42 luxury apartments, making it Western North Carolina's largest commercial building. The GAPMF is a not-for-profit, 501(c)3 corporation, with the mission of restoring the Grove Arcade to its original form and function. In 1997, the City of Asheville acquired title to the building under the National Monuments Act and signed a 198 year lease with the Foundation.

Since, there have been challenges in the GAPMF business plan, but in general the Foundation has performed well. Given the various challenges facing the Foundation (such as capitol improvements and a tough economy), the Foundation may require additional assistance from the City of Asheville to continue to operate effectively.

Recommendation: City staff recommends that the Planning and Economic Development Committee consider allowing the property and sales tax revenue generated from the Grove Arcade Building to be credited to the annual COPS payment.

**Attachments:**

Grove Arcade Public Market Foundation Presentation

Grove Arcade Public Market Foundation Revised Payment Schedule for 97-C COPS